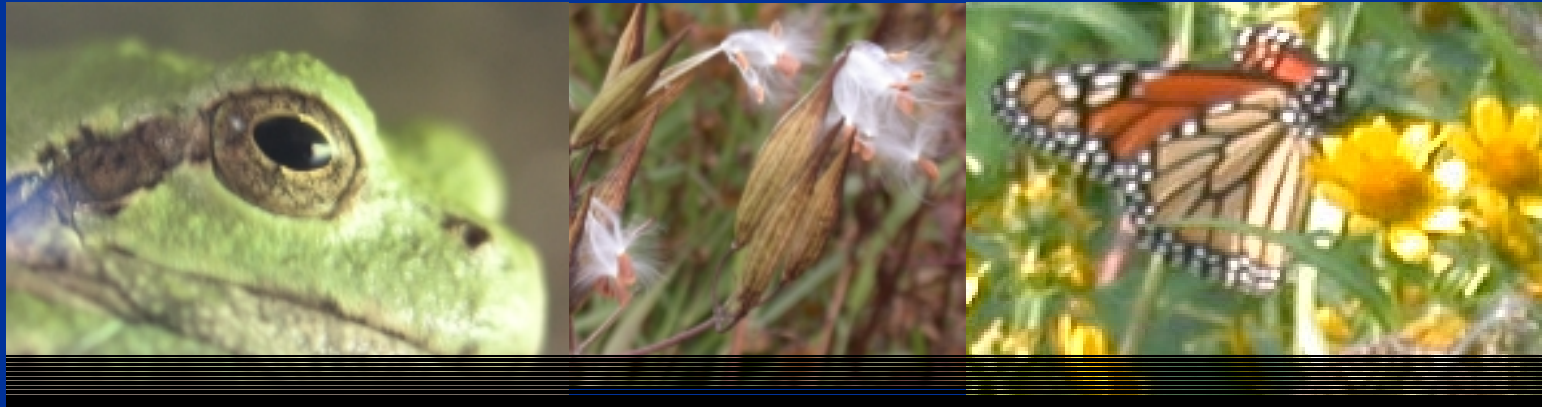


Wisconsin Wetland Compensatory Mitigation

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Financial Assurances



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When are financial assurance documents required?

- Whenever a compensation site plan is submitted-
- See NR 350.10, WI Admin. Code
 - On-site mitigation project
 - Off-site mitigation project
 - New mitigation bank



Types of financial assurance documents

- Performance bond
- Irrevocable letter of credit
- Irrevocable escrow account
- Irrevocable trust account
- “or other financial assurance”

Example language for some of these mechanisms is available upon request



How many assurance documents should be submitted?

Only required to submit one, but most applicants submit two

- Site construction
 - Costs of site preparation, construction, seeding, planting, preparation of as-built report
- Site maintenance and monitoring
 - Costs of maintenance, monitoring, preparation of monitoring reports



Multiple Projects or Jurisdictions

- If you have more than one project, you can utilize a single financial assurance to cover all projects
- If there is more than one regulatory entity involved, you can attempt to utilize a single financial assurance document for the project.



How to determine dollar value?

- Add up projected costs of construction, materials, maintenance, monitoring, and report writing.
- Provide these figures to DNR if requested



Key language components

- See NR 350.10 (4)-
- Payable to "State of WI-Dept. of Nat. Res."
- Funds can only be released by written authorization of the Secretary of the DNR
- Cites final version of compensation site plan
- Cannot be cancelled unless a replacement financial assurance is provided to DNR
- Cannot expire until final reports are received and approved
- If project is transferred, the new owner must assume responsibility



What is the review process?

- Submit a draft of the financial assurances with the compensation site plan
 - Draft should include dollar amount and language your client's financial institution approves. Language must comply with NR 350.10, WI Admin. Code
- Draft will be reviewed by DNR
- Language changes may be requested by DNR legal staff
- After DNR approval, send finalized, signed documents



What is the review process? Cont.

- Receipt of a complete mitigation application, including signed financial assurances, is required prior to permit issuance
- If permit is granted, DNR Secretary signs documents and copies are returned to project proponent
- If permit is not granted, financial documents are returned to project proponent



What part of the mitigation application most frequently delays the review process?

Answer: Financial assurance documents

Do not delay submission of drafts of the financial assurances



When are financial assurance documents released?

One financial assurance document:

- Released after submittal and approval of final monitoring report and completion of site inspection during the growing season.



When are financial assurance documents released?

Two financial assurance documents

- Site construction
 - Released after submission and approval of as-built report
- Site maintenance and monitoring
 - Released after submission and approval of final monitoring report and completion of site inspection during the growing season.



Revaluation of Amount

- Under the NR 350 rules, DNR can reevaluate the amount of the bond and adjust it as work is completed
- Has been used in some instances to cover both construction and maintenance



Questions?

- When working on projects, Julia or Pat should be your first point of contact with questions
- Don't hesitate to contact us directly or to have your financial institution or surety company contact us.
- Thanks for your attention!